EXECUTIVE SUMMARY

Too often, human rights defenders (HRDs) and community members who express their views or speak out against projects funded by development banks face high risks of reprisals, ranging from threats to killings. “Misplaced Trust,” which is based on the analysis of 38 case studies of reprisals in the context of development projects, shows that in most cases development banks’ clients play a direct role in the perpetration of these attacks. Yet, development banks continue to entrust their clients with addressing reprisals, assessing the project risks and impacts, and conducting consultations.

The first part of this report shows how clients – in almost all the cases – are directly or indirectly responsible for the retaliation in the context of their projects. In some instances, they are directly behind the reprisals or coordinating the actions of the perpetrators. In others, they are instigating the attacks, intentionally dividing the community, and creating tensions.

Time is money, and clients benefit from hastening project development and minimizing scrutiny. In responding to these incentives, they typically fail to create opportunities for meaningful participation or to proactively prevent reprisals. They often avoid disclosing possible reprisal risks or opposition to their projects. In highly repressive contexts, they can also take advantage of the silencing of dissent by state agencies.

In the second part, this report provides a review of the relevant aspects of the policies, declarations and guidelines published by eight major multilateral development banks, in relation to the prevention and response to retaliation, stakeholder engagement, and consultations with the communities affected by their projects. This section shows how development finance institutions (DFIs) are relying heavily on the clients for their due diligence, including crucial steps such as mapping stakeholders, conducting consultations, and addressing reprisal issues.

Finally, “Misplaced Trust” offers a series of recommendations that development banks should follow to ensure an independent analysis of retaliation risks in the context of their projects, as well as adequate prevention and response measures. Implementing zero tolerance for reprisals requires DFIs to stop delegating reprisal risk assessment and response to clients. Instead, DFIs should develop – in close consultations with human rights defenders and civil society organizations – protocols and guidelines for what they will do themselves on reprisal issues during the entire project cycle.

2 The 38 case studies were included in three reports previously published by the Coalition for Human Rights in Development with its members and partners (see methodology section for further details).
3 Asian Development Bank (ADB), African Development Bank (AfDB), European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), Inter-American Development Bank (IDB), IDB Invest, International Finance Corporation (IFC), and World Bank.